

Message Text

UNCLASSIFIED

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ACTION OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-07 AID-05 COME-00 /029 W
-----282210Z 102395 /73

R 272114Z MAY 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 4494
INFO AMEMBASSY BOGOTA
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMCONSUL GUAYAQUIL

UNCLAS QUITO 3508

E.O. 11652: N/A
TAGS: EINV, EC
SUBJECT: OPIC ANDEAN INVESTMENT MISSION

1. BEGIN SUMMARY. OPIC INVESTMENT MISSION WHICH VISITED QUITO AND GUAYAQUIL MAY 18-21 APPEARS TO HAVE BEEN WELL SATISFIED WITH THE ARRANGEMENTS MADE BY THE EMBASSY, GOE AGENCIES AND LOCAL ORGANIZATIONS, AND APPEARS TO HAVE RECEIVED A VERY FAVORABLE IMPRESSION OF THE ENVIRONMENT FOR FOREIGN INVESTMENT IN ECUADOR. IT SEEMS LIKELY THAT SEVERAL SUBSTANTIAL INVESTMENT PROJECTS WILL MATERIALIZE AS A RESULT OF THE VISIT. END SUMMARY.

2. THE OPIC INVESTMENT MISSION DEPARTED ECUADOR MAY 22 AFTER A FOUR-DAY VISIT WHICH, BY ALL INDICATIONS, LEFT THE PARTICIPANTS GENERALLY WELL SATISFIED WITH THE ARRANGEMENTS MADE BY THE EMBASSY, GOE AND LOCAL ORGANIZATIONS, AND GENERALLY FAVORABLY IMPRESSED WITH THE ENVIRONMENT FOR FOREIGN INVESTMENT IN ECUADOR.

3. THE VISIT GOT OFF TO AN EXCELLENT START WITH A RECEPTION AT THE AMBASSADOR'S RESIDENCE WHICH FOSTERED NUMEROUS ON-THE-SPOT SUBSTANTIVE DISCUSSIONS BETWEEN THE VISITORS AND UNCLASSIFIED

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LOCAL ECUADOREAN BUSINESSMEN AND OFFICIALS. (SEVERAL MISSION PARTICIPANTS COMMENTED, JUST BEFORE DEPARTING ECUADOR, THAT THE DISCUSSIONS AT THE RECEPTION PROVED TO BE AT LEAST AS PRODUCTIVE AS DISCUSSIONS DURING THE NEXT DAY'S FORMAL INTERVIEWS WITH LOCAL PARTIES.) ANOTHER HIGHLIGHT OF THE VISIT WAS A THREE-HOUR GOE BRIEFING DURING WHICH DETAILED PRESENTATIONS WERE MADE BY THE

MINISTERS OF NATURAL RESOURCES; AGRICULTURE; INDUSTRIES, COMMERCE AND INTEGRATION; LABOR AND WELFARE; AND FINANCE; AND ALSO BY THE SUBSECRETARY OF GOVERNMENT; THE DIRECTOR GENERAL OF CENDES (THE INDUSTRIAL DEVELOPMENT AGENCY); AND THE DIRECTOR GENERAL OF THE CV/CFN (NATIONAL FINANCING COMMISSION). THE BRIEFINGS WERE NOTABLE NOT ONLY FOR THEIR THOROUGHNESS BUT ALSO FOR THEIR FRANKNESS-- LABOR PROBLEMS AND OTHER NEGATIVE FACTORS WERE ACCURATELY DESCRIBED BY THE GOE BRIEFERS, ON THEIR OWN INITIATIVE-- AND BY THEIR RELEVANCE TO THE INTERESTS OF THE MISSION PARTICIPANTS. FROM THE SUBSEQUENT COMMENTS OF THE LATTER, IT IS CLEAR THEY CAME AWAY WITH A VERY FAVORABLE IMPRESSION OF THE PROSPECTS FOR INVESTMENT HERE, AND OF THE GOE'S POLICIES TOWARDS FOREIGN INVESTMENT.

4. IT IS NOT YET CLEAR WHETHER THE FORMAL INTERVIEWS WITH LOCAL PARTIES IN QUITO AND GUAYAQUIL WERE AS SUCCESSFUL AS THE OTHER EVENTS DURING THE VISIT. IN THE FINAL DEBRIEFING OF THE MISSION PARTICIPANTS, THERE SEEMED TO BE A CONSENSUS THAT LOCAL PARTIES SHOULD SOMEHOW HAVE BEEN KEPT MORE FULLY INFORMED, IN ADVANCE, OF THE SPECIFIC INTERESTS OF EACH MISSION PARTICIPANT. AS IT TURNED OUT, MANY OF THE APPOINTMENTS MADE FOR THE FORMAL INTERVIEWS WERE UNPRODUCTIVE BECAUSE THE LOCAL PARTIES WERE PROPOSING PROJECTS THAT WERE OF NO INTEREST TO THE RESPECTIVE MISSION MEMBER OR, IN MANY CASES, TO ANY OF THE MEMBERS.

5. NONETHELESS, IT APPEARS HIGHLY LIKELY THAT SOME OF THE MISSION MEMBERS WILL ENTER INTO SUBSTANTIAL INVESTMENT

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PROJECTS IN ECUADOR AS A RESULT OF THE VISIT. HALF A DOZEN STATED, DURING THE DEBRIEFING, THAT THEY INTENDED TO FOLLOW THROUGH ON PROJECTS IN ECUADOR AND SEVERAL OTHERS INDICATED THEY DO SO. MOST OF THOSE WHO DID NOT SAY OR INDICATE THEY WOULD ENTER INTO PROJECTS HERE MADE CLEAR THAT THEY HAD NOT INTENDED TO DO SO, AND RATHER WERE PARTICIPATING IN THE MISSION ONLY FOR AN OVERVIEW OR UPDATE ON THE ANDEAN INVESTMENT CLIMATE, WHICH THEY SEEMED TO HAVE OBTAINED SATISFACTORILY.

6. MANY OF THE PARTICIPANTS EXPRESSED (UNSOLICITEDLY) STRONG SATISFACTION WITH THE TREATMENT AFFORDED THEM BY EMBASSY PERSONNEL.

BLOOMFIELD

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
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